

## LONG-RANGE SHIPPING BILL

JULY 2, 1952.—Ordered to be printed

Mr. HART, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 241]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, and 34, and agree to the same.

Amendment numbered 20:

That the Senate recede from its disagreement to the amendment of the House numbered 20, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

*SEC. 13. (a) Section 511 (h) of such Act is amended by striking out the proviso thereto and substituting the following: "Provided, That until March 31, 1953, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than September 30, 1953."*

*(b) Section 511 (i) of such Act is amended by inserting after the words "portion thereof" in the second sentence the following: "with respect to a deposit made in any taxable year ending on or before June 30, 1945,".*

And the House agree to the same.

## Amendment numbered 30:

That the Senate recede from its disagreement to the amendment of the House numbered 30, and agree to the same with an amendment as follows:

Strike out the matter proposed to be stricken by the House amendment and omit the matter proposed to be inserted by the House amendment; and the House agree to the same.

## Amendment numbered 31:

That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: 20; and the House agree to the same.

## Amendment numbered 33:

That the Senate recede from its disagreement to the amendment of the House numbered 33, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: 21; and the House agree to the same.

EDWARD J. HART,  
HERBERT C. BONNER,  
DONALD L. O'TOOLE,  
ALVIN F. WEICHEL,  
T. MILLET HAND,

*Managers on the Part of the House.*

WARREN G. MAGNUSON,  
HERBERT R. O'CONOR,  
OWEN BREWSTER,  
JOHN J. WILLIAMS,

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment clarifies the idea that the determining voice in the establishment of the use rate for the obsolete vessel, between the time of the agreement of trade in and the receipt of the new vessel, shall be in the Government. The Senate recedes.

Amendments Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19: The Senate bill granted certain tax deferments with respect to deposits of earnings by unsubsidized operators in construction reserve funds established under section 511 of the Merchant Marine Act, 1936, as amended, for purpose of replacement of vessels. These amendments would strike out all provisions for such deferments. The Senate recedes.

Amendment No. 20: This amendment provides in part for deletion of a provision for extension of time to commit construction reserve funds for new vessels. The remainder of this amendment deletes provisions of the bill relative to the tax deferments mentioned with respect to amendments Nos. 2 through 19 above, and inserts provisions which would clarify existing law in recognition of the fact that the capital-stock tax and the declared value excess-profits tax have been repealed as with respect to taxable years ending after June 30, 1945. The Senate recedes with an amendment which would have the effect of providing for an extension of time to commit construction reserve funds for new vessels to September 30, 1953, and which would insert the clarifying provisions mentioned above.

Amendment No. 21: This is a clerical amendment, and the Senate recedes.

Amendment No. 22: The Senate provision would require an affirmative vote of not less than three members of the Federal Maritime Board in granting approval to the modernization of a vessel for exclusive use on the Great Lakes. This amendment would delete the requirement for an affirmative vote of three members and thus bring the section into line with Reorganization Plan No. 21, of 1950. The Senate recedes.

Amendments Nos. 23 and 26: These amendments clarify the Senate provisions relating to the recomputation of the life expectancy of reconstructed vessels but make no substantive change in them. The Senate recedes.

Amendments Nos. 24, 25, 27, and 28: These are clerical amendments, and the Senate recedes.

Amendment No. 29: The Senate bill would provide that interest shall not accrue in favor of the Government on any deficiencies of Federal tax, resulting from proposed voluntary deposits in statutory reserve funds which are subsequently disapproved by the Maritime Board until the Board actually disapproves such deposits. This amendment would delete this provision. The Senate recedes.

Amendment No. 30: With respect to subsidized operators holding an operating subsidy, the Senate provisions granted full tax deferment as to required deposits and provided for the deferment of the normal tax and the surtax with respect to other deposits in the reserve funds. The House amendment would strike the Senate provisions and substitute therefor, new language which, while granting to operators receiving an operating subsidy the same deferment provisions as provided in the Senate bill with respect to required deposits, would defer only the normal tax with respect to other deposits in the reserve funds. The committee of conference has eliminated from the bill both the Senate and the House provisions relating to this matter. The committee agreed, however, that the Department of Commerce and the Treasury Department should immediately begin to gather all information relative to the extent and effect of tax deferment and tax exemption benefits to the maritime industry, and make a report on same as early as possible in the next Congress.

Amendments Nos. 31 and 33: These are clerical amendments which must be changed because of changes made in conference. The Senate recedes from its disagreement and agrees to the same with the necessary amendments.

Amendments Nos. 32 and 34: These are clerical amendments, and the Senate recedes.

EDWARD J. HART,  
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